

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7246

BILL NUMBER: SB 563

NOTE PREPARED: Jan 21, 2013

BILL AMENDED:

SUBJECT: Various Motor Vehicle Issues.

FIRST AUTHOR: Sen. Arnold J

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- (1) Amends various provisions concerning certificates of title and registrations for motor vehicles and watercraft.
- (2) Relocates chapter concerning special identification numbers.
- (3) Amends various provisions concerning license plates.
- (4) Abolishes the following license plates:
 - (A) Indiana Guard Reserve.
 - (B) Interim manufacturer transporter.
 - (C) Yard tractor repair, maintenance, and relocation permit.
 - (D) Drug free Indiana trust.
 - (E) Indiana food bank trust.
 - (F) Indiana girl scouts trust.
 - (G) Indiana retired armed forces member.
 - (H) Indiana antique car museum trust.
 - (I) Indiana mental health trust.
- (5) Provides that amateur radio license plates are issued on a semipermanent basis.
- (6) Provides that personalized license plates may not be issued with respect to certain special group recognition license plates.
- (7) Exempts recipients of Purple Heart license plates from parking fees and fines.
- (8) Amends various provisions relating to abandoned vehicles and mobile homes.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* This bill (1) codifies current practices of the Bureau of Motor Vehicles (BMV), (2) repeals license plates that are currently not issued by the BMV, and (3) makes other changes that are not expected to have a fiscal impact on the BMV.

The bill does allow an individual to request a motorcycle license plate for the Support Our Troops, Abraham Lincoln, and Gold Star Family license plates. This provision could increase state expenditures to produce three new motorcycle license plates, which are expected to be offset by registration fees paid by requesting individuals.

Background Information: The BMV collects a \$15 administrative fee for most specialty group license plates; however, it does not charge an administrative fee for the Support Our Troops, Gold Star Family, and Abraham Lincoln license plates.

PEN PRODUCTS charges the BMV \$2.70 for a motorcycle plate. By allowing the BMV to offer additional options for motorcycle plates, this bill could increase BMV expenditures. As a result of this bill, if there is an increase in demand for these three license plates by offering them for motorcycles, any increase in demand could be offset by decreases in requests for currently existing motorcycle plates.

Explanation of State Revenues: *Summary:* This bill could (1) increase demand for Purple Heart license plates, (2) increase revenue deposited in the Indiana State Museum Foundation Trust Fund and the Military Family Relief Fund, and (3) increase revenue collected from Class C infractions judgments. Changes in revenue are indeterminable.

Additional Information:

Motorcycle License Plates: Under the bill, the Abraham Lincoln, Gold Star Family, and Support Our Troops license plates can be offered for motorcycles. If this bill increases the number of requests for the Abraham Lincoln and the Support Our Troops license plates, revenue collected from group fees could increase for the Indiana State Museum Foundation Trust Fund and the Military Family Relief Fund, respectively. The group fee for the Abraham Lincoln license plate is \$25 and for the Support Our Troops license plate is \$20. No group fees are collected for the Gold Star Family license plate.

Personalized License Plates: The bill repeals the ability of an individual to request a personalized license plate (PLP) for the Indianapolis Colts and other civic event plates. The BMV reports individuals who request these license plates do not currently have the option to request them as PLPs.

Purple Heart License Plate: This bill could create an incentive for any Purple Heart recipient who currently maintains another license plate to request a Purple Heart license plate to avoid paying parking fees and fines. The potential fiscal impact to the state would depend on whether the BMV collects administrative fees for the license plate an individual replaces with a Purple Heart license plate.

According to the BMV, there were approximately 6,100 Purple Heart license plates issued or renewed in FY 2012.

Because there are no administrative fees collected for the issuance of the Purple Heart license plate and other armed services branch-specific license plates, any shift in demand between an armed services branch-specific license plate and a Purple Heart license plate is expected to have no fiscal impact. However, to the extent a Purple Heart recipient currently holds another special group license plate where administrative fees are collected and the individual switches to a Purple Heart plate, state revenue could decrease. The potential decrease in state revenue is indeterminable, but is expected to be small.

Currently, the BMV charges \$40 in administrative fees per specialty group license plate. Of the \$40, \$25 is forwarded to a trust fund for the special group and the remaining \$15 is withheld by the BMV. Of the \$15 withheld by the BMV, \$5 is used for purposes of administering the special group license plate program, \$9 is deposited in the State License Branch Fund, and \$1 is deposited in the Crossroads 2000 Fund.

Penalty Provision: The only new penalty provision added by this bill is for individuals who operate a motor vehicle with a defaced, removed, destroyed, obliterated, or concealed identification number that have not applied for a special identification number with the BMV. This offense is punishable as a Class C infraction. The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

Explanation of Local Expenditures: This bill is not expected to have a substantial impact on the workload of local governments with regards to parking enforcement. For more information, see *Explanation of Local Revenues*, below.

Explanation of Local Revenues: *Exemption from Parking Fees and Fines:* Currently, individuals who possess a Disabled Hoosier Veteran or Prisoner of War license plate are exempt from paying parking fees and fines (IC 9-18-17-4 and IC 9-18-18-2). By expanding the same privilege to individuals who possess a Purple Heart license plate, more individuals would become exempt from parking fees and fines. As a result, local governments could lose some parking revenue. The potential decrease in local revenue is indeterminable.

Indianapolis Parking Contract: The bill also could reduce the net revenue received by the city of Indianapolis under its parking meter concession agreement if the city must reimburse the concessionaire for waived parking fees and fines for people who hold a Purple Heart license plate. The city of Indianapolis indicates that the impact is expected to be minimal.

Penalty Provision: If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: BMV.

Local Agencies Affected: All.

Information Sources: Mark Goodrich, BMV; City of Indianapolis.

Fiscal Analyst: Bill Brumbach, 232-9559.